



NOV 24 2000

Dear Tribal Leader:

Continuing with our commitment to tribal consultation, the Indian Health Service (IHS) requests your comments on the draft Small Ambulatory Program Criteria (attached at Tab A) and the draft Chapter 26-2, Joint Venture Construction Program (attached at Tab B). The IHS fiscal year (FY) 2001 appropriation (attached at Tab C) provides funding for these programs (\$10 million for Small Ambulatory and \$5 million for Joint Venture) and specific guidance for their initial implementation. Your input is essential to finalize the evaluation criteria and distribute the FY 2001 funds.

The major differences between the Small Ambulatory and Joint Venture Programs in the Federal funding provided through IHS are illustrated in the table below:

Program	Construction funds	Equipment funds	Staffing funds
Small Ambulatory	Yes	Yes	No
Joint Venture	No	Yes	Yes*

*Staffing funds for a Joint Venture facility are not guaranteed, but Congress has directed the IHS to request funds for staffing, operation, and maintenance for these facilities in future budget requests.

Draft Small Ambulatory Program Criteria

The draft program criteria describe the eligibility, ranking factors, and evaluation process. To make funds available for small ambulatory projects this fiscal year, the IHS intends to use The Indian Self-Determination Act, Public Law (P.L.) 93-638, Title I, Subpart J construction contracts, as authorized by the appropriations legislation. Tribal comments will be evaluated and incorporated into the final Small Ambulatory Program Criteria document. Request for Proposals will be issued soon after January 15, 2001, and evaluated based on the final eligibility criteria and ranking factors. We anticipate that in the future both grant and Title I contracts will be available, at tribal option.

Draft Joint Venture Construction Technical Handbook Chapter

The draft chapter provides details on the application process, eligibility criteria, selection process, and project execution and will be the basis for implementation of the Joint Venture Construction Program, subject to appropriations language.

For your information, I am also including background information (attached on Tab D) on the authorizing legislation for these programs. Section 306 of the Indian Health Care Improvement Act (P.L. 94-437) authorizes a Small Ambulatory Grant program for construction, expansion, and modernization of small health care facilities. Instead of grants, the appropriation authorizes the use of construction contracts under Title I of Public Law 93-638, as an instrument for funding small ambulatory facility construction projects.

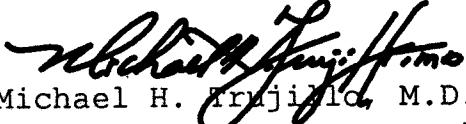
Section 818(e), P.L. 94-437 authorizes the IHS Joint Venture Construction Program. Under this program, a tribe constructs a health care facility using non-IHS funds and leases it at no cost to the IHS for a period of 20 years. In return, the IHS provides staff and operates the facility, subject to Congressional appropriations.

The FY 2001 appropriation gives priority for Joint Venture project funding to tribes with outpatient projects on the existing IHS construction priority list that have IHS approved planning documents and can demonstrate by March 1, 2001, the financial capability needed to construct an appropriate facility. Any Joint Venture Construction funds unallocated after March 1, 2001, will be available to all tribes on a competitive basis. Under open competition, appropriations language requires priority for tribes that currently have no existing Federally-owned health care facility, have planning documents meeting the IHS Health Facility Planning requirements for approval, and can demonstrate financial capability to construct an appropriate facility.

Please share this letter and the enclosed documents with tribal health administrators and other appropriate tribal staff. Provide comments on the draft documents by January 15, 2001 to:

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Sincerely yours,


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Assistant Surgeon General
Director

Enclosures

- Tab A - Draft Small Ambulatory Program Criteria
- Tab B - Draft Chapter on Joint Venture Construction Program
- Tab C - Fiscal Year 2001 Appropriation
- Tab D - Authorizing Legislation for Small Ambulatory Program and
Joint Venture Construction Program